1912-13.

FILE No. 59-12.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

PROCEEDINGS OF THE GENERAL AND REVENUE DEPARTMENTS.

GENERAL FINANCE.

JANUARY 1913.

"A" Collection : Serial Nos. 1—3.

Confirming the proposals of the Comptroller tentatively approved in December 1909 for the timely preparation and issue of the State Budget Estimates.

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13. Regarding the proposals of Mr. Lakshmi Narasimha Rao for expediting work i the Secretariat and in this office remarks will be made seriatim on the several points raise by him :—

(1) Revised figures to be submitted to Government along with departmental esti mates what is technically known as the revised estimate re quires the actuals of at last eight months and these are no available in the Account Office at the time departmenta estimates are examined and sent to Government. Under th code it is the Departmental Officers who are required to fill i figures for the revised in the Budget Forms but in this Pro vince they do not do so—for the obvious reason that they d not keep a systematic account of departmental receipts an expenditure and are generally unaware of the up-to-dat revenue or expenditure figures at anytime. It is therefore, no possible to furnish 'revised' figures in the department esti mates. We were hitherto showing three years' figures fo budget purposes according to Kernandus' Financial Rules There is, however, no objection to adopt five years' figures a suggested.

In a progressive administration I am inclined to think that three years give better idea than five years. Of course we are concerned only with the general level and for this, figures five years old may be regarded as antiquated. If three years' average do not eliminate any observations, allowance will have to be made for them and this is always done.

J. S. C.
6-11-12.

(2) Actuals will be closer to estimate if we have succes sive revised estimates as in British India. The reason for th disparity between the budget estimates and the actuals is tha departmental officers do not pay any regard to the budge programme and are as a matter of fact never closely in touch with the progress of receipts and expenditure. As they do not make a deliberate attempt to follow the budget programme the resulting actuals must necessarily differ very much from the estimates and until this root cause is remedied no amount of revision of figures in the audit office will achieve this end. However, to give more time to the Finance Deparment, for examining revised figures the budget notes of the Comptroller may be sent to the Finance Department for information, piecemeal as they are approved or corrected by Comptroller.

(2) I do not think any more elaboration on the lines suggested will serve any useful purpose. The deviation of actuals from budget is due more to favourable influx of revenue under some large heads and to large lapses of special grants, etc., than to over-estimates in any of the regular departments. In ordinary spending departments, for which alone the revised can be a good guide, there is hardly any noticeable divergence to complain of which can be ascribed to over estimating.

J. S. C.
6-11-12.

(3) The suggestions for publishing the budget in proper time will be discussed below. Here it will only be pointed out that it is not possible to send to Government the financial statement along with the consolidated budget, because, until the budget meeting is held and more important features of the budget are discussed and settled and the special grants that are to be made are known, it is not possible to prepare the financial statement. The present practice of allowing the Comptroller to prepare the financial statement and issue it after the consolidated budget is approved by Government must therefore continue.

(3) I agree that the budget should be published before 1st July and every endeavour should be made to secure this end. But the budget meeting cannot be held until all the departmental budgets are passed by Councils and His Highness.

J. S. C.
6-11-12.

(4) *Sanctions to new expenditure to be included in the budget.*—The existing rule is that only items sanctioned before 31st March will be included and that items sanctioned after that date will not be taken into account in fixing the estimates. It is the disregard of this rule which is very largely responsible for the delay in the issue of the budget as in practice orders are being received up to the last moment for including items in the budget, thus delaying the work in this office and in the press. The new date proposed now, *viz.*, 1st May will be of use if Government adhere to it strictly and do not order sanctions after that date to be included in the budget. As regards the delay caused thereby it is immaterial whether such sanctions come individually or in the form of a long list appended to the budget order. As a matter of fact it is this long list of items sanctioned (in the budget order) subsequent to provisional sanction which causes a great deal of time to elapse between the date of the budget order and the issue of the budget copies by requiring minute and troublesome connections in the details in this office and in the press. To avoid such delay it must be ruled that the budget order must contain as few additional items as possible and that all of these should be *only lump additions to major heads,* involving no alteration in details.

(5) The budget order is not the place to include petty items but it must contain only large special grants which the financial condition of the year allows Government to make. The first essential thing to minimise delay is therefore to reduce the number of new items included in the budget order by limiting them only to lump sum grants. In order, however, to authorise the Comptroller to include items sanctioned subsequent to the issue of provisional orders and any others that may be specially sanctioned by Government to be included in the budget, the Financial Department may issue separate order about the 25th May in advance of the budget order and without reference to it, asking the Comptroller formally to

include these items in the budget. On receipt of such an order necessary corrections in details will be made in this office and thereafter when the budget order is received only a few corrections in the major head totals will have to be made and there will be only a small interval between the budget order and the issue of budget copies. Appended below are some dates relating to the budget in the last three years and what the due dates ought to be if the budget is to issue before 1st July.

Statement showing the time occupied in the several stages of the budget before it is finally issued.

	1912-13	1911-12	1910-11	1909-10	Due date if budget is to issue in time.
1 Date of submission by Comptroller to Government of the preliminary budget with Notes ...	22nd June ...	1st June ...	18th May ...	5th June ...	25th May.
2 Date of budget meeting ...	5th July ...	12th July ...	4th July ...	10th July ...	5th June.
3 Date of Government Order sanctioning final budget ...	20th July ...	5th August ...	25th July ...	28th July ...	15th June.
4 Date of completion of consolidation of the budget estimate in the Comptroller's office ...	30th July ...	28th August ...	5th August ..	10th August ...	20th June.
5 Date of final issue of the budget ...	12th August ...	6th September ...	29th August ...	6th September ...	1st July.

The only way to minimise the interval between 3 and 5 is by adopting the procedure indicated above. The procedure to be adopted is briefly as follows :—

(1) Departmental estimates to be provisionally passed and sent to Comptroller before 1st May.

(2) Comptroller to send budget notes as they are prepared for the information of the Finance Department.

Is not this done now?

J. S. C.
6-11-12.

No.

S. S.

(3) All items sanctioned in Government Orders after the issue of Provisional orders and such of the items sanctioned after 1st May which Government want to be specially included, to be formally included in an order and sent to Comptroller on 25th May so that he may make needful corrections in details.

(4) Preliminary Budget—not including items 3 above—to be submitted by Comptroller to Government on 15th May.

(5) For the budget meeting the Preliminary Budget and order No. (3) above should be consolidated in the Secretariat for arriving at totals.

(6) Budget meeting to take place on 5th June and only lump additions of important and large grants to be made in the meeting—all items involving alteration in details being rigorously excluded.

(7) Budget order to issue on or before 15th June.

(8) Completed and consolidated budget to be sent to Press by Comptroller on 20th June.

(9) Budget copies to issue on 1st July.

14. For preparing the Ways and Means Estimate before 30th June, there is not sufficient information in this office. If Government before 1st May issue the budgets of the District Boards and Municipalities and pass orders on the amount of loans and advances expected to be issued and realised during the year, the estimate can be submitted by this officer with budget estimates.

S. SHAMANNA.

Comptroller. 3-12-12.

15. Mr. Shamanna is in general agreement with Mr. L. Rau's suggestions. I shall be obliged if these two officers will sit together and draw up a memorandum embodying definite suggestions.

16. A brief draft order with reference to the Comptroller's reference may also be put up embodying such of the suggestions herein discussed as may appertain to that reference.

17. After Comptroller's reference is disposed of the memorandum regarding procedure in the Secretariat and Comptroller's Office will be circulated with the approval of the Dewan to all concerned.

J. S. CHAKRAVARTI.
6-12-12.

18. Mr. Shamanna and myself have sat and considered the matter and as a consequence the accompanying draft of an official memorandum is submitted for orders. A draft also of an order confirming the tentative arrangements is put up. The subject of ways and means estimate which according to the standing orders should be before Government on the 31st May is receiving our attention and a separate memo on that subject will be submitted ere long.

T. LAKSHMI NARASIMHA RAO.
14-12-12.

S. S.

19. The drafts appear to me suiable and may issue after approval by Dewan.

20. The official memorandum is for circulation to the several Departmental Secretariats and the Comptroller's office.

21. One thing which is not and need not be mentioned in the drafts should be done in the Financial Branch of the Secretariat. It should keep a statement showing the progress of budget files from Administrative Branch to Financial Branch, then to Councillors, to Dewan, etc., and whenever it is found that a budget file is with one officer for more than two days, the Personal Assistant or Private Secretary should be reminded.

J. S. CHAKRAVARTI.
17-12-12.

22. Submitted to Dewan.

S. HIRIYANNAYYA.
17-12-12.

23. The draft is approved.

M. VISVESVARAYA.
4-1-13.

24. Issue.
File to be recorded as A.

T. LAKSHMI NARASIMHA RAO.
11-1-13.

2. To (1) the Comptroller, (2) the other Heads of Departments, No. Fl. 3816-60, dated 15th January 1913.

Confirms the rules tentatively issued in Government Order dated 21st December 1909, for the timely preparation and issue of the State Budget Estimates and directs that to further ensure the speedy disposal of departmental estimates in the Comptroller's office, (1) statement of Progressive salaries, (2) Numerical statement, (3) statement of fixed tentage, etc., hitherto sent to the Comptroller's office with the departmental estimates should hereafter be rendered a month earlier

3. To the other branches of General and Revenue Secretariat and the Public Works Railway and Geological Secretariat No. 3861, dated 15th January 1913.

Lays down rules for the guidance of the Secretariat and the Comptroller's office for the timely issue of the Civil Budget Estimates every year.

Confirming the proposals of the Comptroller tentatively approved in December 1909, for the timely preparation and issue of the State Budget Estimates.

FILE No. 59-12.

Letter No. 2459—B. & R. 206, dated Bangalore, the 26th September 1912, from J. S. Chakravarti, Esq., M. A., F. R. A. S., etc., Comptroller to the Government of His Highness the Maharaja of Mysore, to K. R. Srinivasiengar, Esq., M. A., Officiating Secretary to the Government of Mysore, General and Revenue Departments.

Serial No. 1.

Adverting to Government Proceedings No. Fl. 2956-96—G. F. 200-09-2, dated 21st December 1909, approving tentatively of my proposals for the timely preparation and issue of the State budget, I have the honor to report that, after the issue of the order referred to above, three years' budgets have been dealt with and that it has been found that, as a result of the arrangements sanctioned by Government, the task of scrutinising the departmental budget estimates has been facilitated to a great extent. It has been possible for my office to submit the departmental estimates to Government much earlier than in former years and for the Government to intimate provisional sanctions to a larger number of estimates for my consolidated budget though instances are not still wanting in which provisional sanctions were communicated to this office long after the consolidation and even after the issue of the budget order finally sanctioning the State budget.

2. The preliminary accounts for the past three years have been closed earlier than usual though not without special efforts on the part of my office not only to get the accounts in time but also in auditing and compiling them within the prescribed time notwithstanding the delays on the part of the Treasuries. This has removed the difficulty experienced (1) in sending the budget forms to the departments in time, (2) in framing an accurate revised estimate and (3) in furnishing figures for the General Administration Report.

3. In paras 6 and 13 of my letter of the 12th November 1909 quoted in extenso in the order referred to above, the punctual submission of the estimates on the due dates has been specially emphasised, but this is not followed by some of the officers sending the estimates. In these cases the estimates are received two or three weeks after the due dates and only on reminders issued from this office. In some other cases, however, they are received in advance of the due dates (*vide* statement appended showing the due dates and dates of receipts in the past three years). It is, therefore, desirable that the dates prescribed be revised once more to suit all cases and I have accordingly revised and entered the proposed dates in the last column of the statement referred to above.

4. The features noticed above are decidedly an improvement on the old order of things and are therefore calculated to justify the confirmation of the arrangements tentatively sanctioned in the order under reference. In proposing such confirmation I beg to point out that there are some directions in which further improvements may be anticipated by some modifications in the arrangements already sanctioned. The following are the modifications which I now submit for sanction:—

(*a*) The alterations proposed in the due dates are to secure a uniform and gradual flow of the estimates in this office, while at the same time the convenience of the departments concerned is also met. I, therefore, trust that after the revision of the due dates as above, there will be no cause for any delay so as to interfere with the graduated arrangement of work made on that basis in the budget section of my office.

(*b*) The rule laid down in para 4 of the order, that sanctions to new expenditure accorded after 31st March will not be taken into account in fixing the estimates for the next year is not strictly observed. In framing the current year's budget individual sanctions to new expenditure were being received even after the consolidation of the provisionally accepted budgets and after the commencement of the new financial year. The inconveniences arising out of this practice have been already pointed out in my letter of the 12th November 1909 (paras 8 and 9) and at no stage, till the passing of the final budget, is there any finality in the figures adopted for the budget. This leads to much difficulty and complexity in fixing the budget figures. To allow of more time for the new items to be incorporated in the budget, the date fixed may, if necessary, be changed to 1st May, as 15th May is the date on which the consolidated budget estimate is to be submitted to Government. It is therefore, desirable that all additional sanctions to new items of expenditure proposed and all provisional sanctions to departmental estimates should be communicated before 1st May. All the items sanctioned subsequent to 1st May, may be mentioned in the Government Order sanctioning the final budget and will be added on in the budget as lump sum grants. If this can be arranged, the difference between the Comptroller's draft budget submitted to Government and that finally sanctioned by Government will be much reduced at least as far as the detailed estimates are concerned. The procedure indicated above will avoid the necessity for

Confirming the proposals of the Comptroller tentatively approved in December 1909 for the timely preparation and issue of the State Budget Estimates.

making wholesale corrections in the Comptroller's draft budget after it is passed finally by Government and will facilitate minimising the delay that now occurs in issuing the consolidated sanctioned budget estimate on account of numerous corrections made at the time of finally printing the budget.

Statement showing the due date and the dates on which the estimates were actually received and the proposed dates of the budget estimate.

Head of Department or Department submitting the estimate	Due date sanctioned	Dates of actual receipts			Proposed due dates
		1910-11	1911-12	1912-13	
1	2	3	4	5	6
Muzrai Superintendent (Muzrai and Miscellaneous)	5th Jan.	19th Jan 1910	26th Jan. 1911	1st Feb, 1912	10th Jan.
Superintendent, Government Gardens ...	Do	12th Feb. 1910	16th do	9th do	20th Jan.
Do Government Museum ...	Do	11th Jan. 1910	13th do	8th Jan. 1912	5th Jan.
President, Dasara and Industrial Exhibition ...	Do	31st Jan. 1910	15th Feb. 1911	20th Feb. 1912	25th Jan.
Officer in charge, Archæological Department ...	Do	19th Jan. 1910	9th Jan. 1911	8th Jan. 1912	5th Jan.
Do Ethnographical Department...	Do	18th Jan. 1910	16th do	20th do	Do
Secretary, Local Service Examinations ...	Do	6th Jan. 1910	7th do	16th do	Do
Do Civil Service Examinations ...	Do	21st Jan. 1910	13th do	23rd do	Do
Officer in charge, Meteorological Department...	10th Jan.	12th Jan. 1910	13th do	12th do	10th Jan.
Inspector-General of Registration	15th Jan.	26th Jan. 1910	25th do	17th do	15th Jan.
State Geologist...	Do	Do	13th Feb. 1911	2nd Feb. 1912	Do
Registrar of Co-operative Societies	Do	19th Jan. 1910	27th Jan. 1911	18th Jan. 1912	10th Jan.
Military Secretary (Amrut Mahal Department).	Do	22nd Jan. 1910	28th do	24th do	15th Jan.
Revenue Commissioner (Veterinary Department)	Do	31st Jan. 1910	31st do	31st do	Do
Secretary, State Life Insurance	Do	22nd Jan. 1910	24th do	30th do	10th Jan.
Agricultural Chemist	20th Jan.	Do	23rd do	29th do	20th Jan.
Inspector-General of Prisons	25th Jan.	22nd Feb. 1910	27th do	27th do	25th Jan.
Superintendent of Stationery	30th Jan.	11th Jan. 1910	2nd Feb. 1911	25th do	20th Jan.
Do of Government Press ...	Do	31st Jan. 1910	2nd do	29th do	
Stamp Commissioner	31st Jan.	2nd Feb. 1910	10th do	31st do	1st Feb.
Secretary, General and Revenue Departments (Secretariat office)	1st Feb.	Do	3rd do	7th Feb. 1912	25th Jan.
Comptroller	Do	Do	25th do	1st do	
State Huzur Treasury (Treasury Miscellaneous and pension)	Do	21st Jan. 1910	1st do	1st do	1st Feb.
Private Secretary to His Highness	Do	1st March 1910	9th Jan. 1911	1st do	Do
Military Secretary to His Highness... ...	Do	7th Feb. 1910	28th Feb. 1911	14th do	25th Jan.
Secretary, G. R. S. (Military Branch) ...	5th Feb.	10th Feb. 1910	7th do	7th do	5th Feb.
Chief Commandant	Do	8th Feb. 1910	16th do	7th do	
Military Secretary to His Highness (Hessarghtta and Nadamavinapura Farms and Imperial Service Transport Corps)	5th Feb.	Do	28th do	14th do	5th Feb.
Military Secretary to His Highness (Reception and Entertainment of Guests and Palace Military)	Do	7th Feb. 1910	28th do	14th do	25th Feb.
Superintendent, Inam Department	10th Feb.	9th Feb. 1910	7th do	24th Jan. 1912	10th Jan.
Do Revenue Survey	Do	2nd Feb. 1910	7th do	12th Feb. 1912	
Excise Commissioner	Do	1st March 1910	2nd March 1911	10th do	10th Feb.
Conservator of Forests	15th Feb.	19th Feb. 1910	24th Feb. 1911	5th March 1912	15th Feb.
Inspector-General of Police	20th Feb.	22nd Feb. 1910	23rd do	26th Feb 1912	20th Feb.
Senior Surgeon to Government	Do	2nd March 1910	1st March 1911	23rd do .	Do
Sanitary Commissioner	Do	Do	1st do	22nd do	15th Feb.
Registrar of the Chief Court	25th Feb.	26th Feb. 1910	9th do	16th March 1912	25th Feb.
Secretary (G. R. S.) Miscellaneous Budget ...	Do	4th March 1910	17th March 1911	22nd do	Do
Do Reception and Entertainment of Guests	Do			3rd Apl. 1912	Do
Do Donations	Do			22nd March 1912	Do
Comptroller (Miscellaneous Budget) ...	Do	28th Feb. 1910	4th March 1911	26th Feb. 1912	Do
Revenue Commissioner (Census Department) ...	Do	.....	16th Feb. 1911	2nd do	15th Feb.
Revenue Commissioner (Land Revenue Assessed taxes, etc.)	1st March	19th March 1910	21st March 1911	8th March 1912	1st March.
Inspector-General of Education	Do	5th March 1910	21st do	29th do	Do
Railways	5th March	15th Apl. 1910	4th Apl. 1911	15th do	5th March.
Public Works Department	Do	11th March 1910	3rd do	9th Apl. 1912	
C. P. S.	Do	6th May 1910	3rd May 1911	9th May 1912	15th Feb.
Economic Conference	.....	.....	.....	.....	

READ AGAIN—

Government Order No. 2956-96—G. F. 200-9, dated 21st December 1909, approving tentatively the proposals of the Comptroller, Mysore Government, for the timely preparation and issue of the State Budget Estimates. **Serial No. 2.**

READ—

Letter No. 2459—B. & R. 206, dated 26th September 1912, from the Comptroller, soliciting that the proposals tentatively approved in the Government Order of the 21st December 1909, may be confirmed with the modifications now suggested with a view to minimize delay in the issue of the consolidated budget estimates in the future.

Confirming the proposals of the Comptroller tentatively approved in December 1909 for the timely preparation and issue of the State Budget Estimates.

No. Fl. 3816-60—G. F. 59-12-2, dated Bangalore, 15th January 1913.

Order thereon.—The proposals tentatively sanctioned in Government Order No. 2956-96—G. F. 200-09, dated 21st December 1909, are found to have produced satisfactory results and are hereby made permanent with the alterations in date suggested by the Comptroller. Government expect all Heads of Departments and other Officers concerned to send to the Comptroller the estimates relating to their departments or offices on or before the due dates so that the consolidated estimates may be issued in time.

2. To further ensure the speedy disposal of departmental estimates in the Comptroller's Office, the marginally noted statements required to be sent to the Comptroller, with the departmental estimates under paras 10, 14 and 15 of Chapter II, Part I, of the Financial Rules, may, in future, be sent separately a month in advance of the departmental estimates.

1. Statement of progressive salaries.
2. Numerical statement.
3. Statement of fixed tentage, travelling allowance and conveyance allowance.

3. The Heads of Departments are particularly requested to note that the rule under which sanctions to new expenditure accorded after 1st May will not be taken into account in fixing the estimates for the subsequent year will be strictly enforced hereafter and they should, therefore, see that such of their proposals as are required to be carried out in any year are submitted in time to permit of their consideration and disposal by Government before that date.

To—The Comptroller to the Government of His Highness the Maharaja of Mysore.
The other Heads of Departments.

OFFICIAL MEMORANDUM.

No. Fl. 3861—G. F. 59-12-3, dated Bangalore, the 15th January 1913.

Serial No. 3.

The question as to how the consolidated budget estimates may be issued before the opening of the official year has been engaging the attention of the Financial Department for some time. In spite of the best effort of this Branch the budget was issued only on the 12th August, 6th September, 29th August and 6th September during the last four years. This undesirable result appears to be due partly to the non-observance of some of the existing rules on budget procedure and partly to the want of definite rules on certain points touching on the progress of the budget work in the Secretariat and the Accountant Office. Instructions regarding the manner in which the departmental estimates are to be prepared and the dates on which they should be sent to the Comptroller and on some other kindered points are to be found in Government Orders Nos. Fl. 1150-1192—18-1901-02, dated 7th February 1903, and Fl. 849-88—G. F. 73-04-2, dated the 13th August 1904, Fl. 2436-51—G. F. 602-03, the 27th October 1904, Fl. 441-66—R. F. 602-03-3, dated the 17th January 1905, Fl. 2956-96—G. F. 200-09-2, dated the 21st December 1909 and Fl. 3816-60—G. F. 59-12-2, dated the 15th January 1913, and, it is believed that a rigid adherence to them will considerably minimise, if not entirely remove this undesirable feature. These orders, however, mostly relate to the procedure in several departmental offices and do not comprehensively deal with the various stages of budget work in the Secretariat and in the Comptroller's Office.

2. That portion of the delay in the issue of the budget for which these offices are responsible seems to be chiefly due to the following causes :—

(1) Provisional sanctions to departmental estimates not being communicated to the Comptroller in time to enable him to prepare the preliminary consolidated estimates on the due date.

(2) Want of definite rules fixing the exact period to be allowed for each of the several stages of work in the Secretariat, the Comptroller's Office and the Press.

(3) No definite date being fixed for the budget meeting.

(4) The practice of keeping the budget open till the very last moment for including therein sanctions of Government accorded long after the due date.

(5) The inclusion in the budget order of a long list of minor items necessitating detailed correction in the budget and taking a long time for being consolidated and printed.

Confirming the proposals of the Comptroller tentatively approved in December 1909 for the timely preparation and issue of the State Budget Estimates.

3. With a view to remove these and other defects and to facilitate the timely issu the budget, the following rules are laid down for the guidance of the Secretariat and the mptroller's Office:—

(1) All departmental estimates to be provisionally passed by Government and to be communicated to the Comptroller before 1st May.

For this purpose it is necessary that all budget files should be marked and dealt with as "immediate" at all stages.

(2) The Comptroller to send budget notes as they are prepared for the information of the Finance Department.

(3) Preliminary budget, including all provisional sanctions, to be consolidated and submitted to Government by Comptroller before 15th May.

(4) The rule that no items sanctioned by Government after 1st May should be included in the budget of the coming year to be rigorously enforced by all Branches of the Secretariat.

(5) All items sanctioned in Government Orders before 1st May but after the provisional passing of the departmental budget and such other items sanctioned after 1st May which Government desire to be specially included in the coming year's budget, to be formally included in an order of the Finance Department and sent to Comptroller on 25th May, so that he may make needful corrections in the details of the estimates.

N.B.—The discretion to include sanctions subsequent to 1st May must be sparingly exercised and only in exceptional cases, so that the corrections in detail may be as few as possible.

(6) For the budget meeting the figures in the preliminary budget and in Government Order referred to in the last para should be consolidated in the Secretariat for arriving at the totals.

(7) Budget meeting to take place on the 5th June and only lump additions of important and large grants to be made in the meeting—all petty items involving alterations in detail being rigorously excluded.

(8) Budget order to issue on or before the 15th June.

(9) Consolidated budget to be sent to Press by Comptroller on 20th June.

(10) Budget to be published in the Gazette on 1st July.

(11) A programme showing the due dates to be kept in the offices concerned to watch the completion of each stage of work on or before the due date.

1912-13

GENERAL AND REVENUE SECRETARIAT.

GENERAL FINANCE

FOR JANUARY 1913.

NOTES

File No. 59-12.

Confirmation of the proposals of the Comptroller for timely preparation and issue of the State Budget.

From the Comptroller, Letter No. 2459—206, dated 26th Septembe

States that, as a result of the arrangements tentatively sanctioned by Government in December 1909, the task of scrutinising the departmental budget estimates has been facilitated to a great extent and suggests the confirmation of the said arrangements with certain modifications.

1. In Government Order No. Fl. 2956-96—G. F. 200-09, dated 21st December 1909, Government approved tentatively of all the proposals suggested by the Comptroller as regards the preparation of the budget estimates of the several departments.

2. In the present reference the Comptroller, while reviewing the advantages that have been the outcome of the aforesaid Government Order and the satisfaction that the working of the budget has given, brings to light the fact that there have been instances of unpunctuality of Heads of Departments submitting their departmental estimates. With a view to obviate it a revised list of due dates for the submission to him of departmental estimates has been submitted.

He suggests that with a view to secure a uniform and gradual flow of the estimates "all additional sanctions to new items of expenditure proposed and all provisional sanctions to departmental estimates should be communicated before 1st May, and that all the items sanctioned subsequent to 1st May, may be mentioned in the Government Order sanctioning the final budget."

3. Submitted for orders with a draft.

M. N.
13-11-12.
B. V. N.
13-11-12.

4. Draft submitted for approval or other orders.

5. In this connection the following points strike me as being worthy of being submitted for notice.

(1) At present when the Secretariat is dealing with the departmental budgets, the revised figures which would certainly be a better and safer guide than the average of three preceeding years is not available. Again five years' figures instead of three years is nearer the mark and five years are adopted in British Indian Budgets we may perhaps also adopt five years' average as our guide.

(2) The budget notes of the Comptroller are sent at a very late hour so that there is practically no scrutining of the revised and budget as the British India. If as there we have successive revises of our budget notes our actuals would be closer to the estimates and we would not perhaps have deficit estimate which at the end turns out to be a decidedly surplus.

(3) Our budgets are issued long after the official year opens. To prevent this delay it would be necessary for the financial statement and the final budget to be discussed on a fixed day in June of every year say the 15th of that month so that the budget may issue punctually on the 1st July of every year.

(4) The Comptroller suggests that sanctions to new expenditure will be included till 1st of May and sanctions thereafter will be issued along with the budget order. In British India all such proposals should be sent up before a certain date and others will not be considered at all or even if sanctioned will have effect only from the beginning of the next official year.

This minimises work and prevents confusion when the budget has to be revised and sent to Press. We may perhaps say that proposals for new expenditure during the official year to follow will be received in the Secretariat till the end of April and all such will be disposed of by the end of May. Other proposals should stand by or even if sanctioned have effect only from the commencement of the official year next following.

6. I would therefore submit for consideration the following Secretariat procedure in dealing with budgets.

(1) Departmental budgets all to be provisionally passed and sent to the Comptroller before first of May.

(2) Comptroller's 1st edition of budget notes to be sent to Secretariat by 15th May and returned before the end of that month.

(3) Draft final budget with final edition of budget notes and financial statements from Comptroller to be received in the Secretariat 10th June.

(4) Budget meeting 15th June.

(5) Final budget issue 1st July.

7. These instructions may if approved be issued in the form of an official memorandum to all branches of the General and Revenue Secretariat and the Comptroller.

T. LAKSHMI NARASIMHA RAO.
20-11-12.

Financial Secretary.

Note continued.

8. The estimate for debt and deposit, etc., as also the monthly proportional estimates are now received long after the Civil budget estimates have been received. In British India all these are simultaneously taken up and the financial statements take into account the transactions under debt and deposit heads also and have a complete review of the would be final position of the Government during the next Financial year. It is for consideration why our ways and means estimate should not be advanced.

T. LAKSHMI NARASIMHA RAO.
20-11-12.

Financial Secretary.

Assistant Comptroller,
Budget.

9. For remarks in the several suggestions of Assistant Secretary, Finance.

10. It is certainly desirable to publish the budget before 1st July and it is worthwhile if this can be attained in the present circumstances or with some change in procedure.

J. S. CHAKRAVARTI.
21-11-1912.

11. To ensure the preparation of the budget before 1st July, systematic and timely working is necessary:—

(1) in the various departments, and

(2) in the Accountant Office and the Secretariat.

The rules tentatively laid down in Government Order of 21st December 1909 and which are now proposed to be made permanent refer only to No. (1) above and not in any way to No. (2). The question now under discussion therefore relates only to No. (1), and on this the Assistant Secretary, Finance, agrees with the suggestions of this office.

12. There is however one improvement in existence in Madras which may be introduced here also. Here the statements showing the distribution of fixed establishment are received from the Departmental Officers along with the budget estimates; but there they are sent about a month or two in advance, so that their scrutiny in the audit department may be concluded before the receipt of the estimates in the budget section and the latter section enter into the examination of the budget estimates as soon as they are received. Here however, as both of them come together, some time—about a fortnight or so—is taken by the audit section in comparing the statements with the Audit Registers and until this is completed the budget section cannot proceed with the examination of the estimates.

I agree that the statements may come one month earlier.

J. S. C.
6-12-12.